

4860
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From: Chief, Bureau of Medicine and Surgery

Subj: TECHNICAL GUIDANCE REGARDING LOGISTICS COMMERCIAL
ACTIVITIES (CA) STUDY

Ref: (a) BUMED ltr 4860 Ser 13/1U130011 of 29 JUL 01

Encl: (1) Logistics Functional Guidance for CA Studies

1. Reference (a) provides general guidance and command requirements in performing a CA Study. Information regarding the designated CA coordinator at your facility will be provided once a POC list has been established. Enclosure (1) provides technical considerations regarding the materiel management function in support of this study.

2. Logistics principles over the past 10 years have seen dramatic changes due to the regionalization of contracting functions, automation of functions with Defense Medical Logistics Standard Support (DMLSS), reduction in inventories in favor of just-in-time delivery programs like Prime Vendor, forward customer support, and use of simplified acquisition procedures such as the credit card. This study provides a tremendous opportunity to evaluate your Most Efficient Organization (MEO), and ensure it is aligned with current day business practices.

3. Please provide a name, phone number, and EMAIL address of the Logistics POC for this study ASAP but NLT 10 August 2001. To promote continuity of these studies, all information will be forwarded via the HSO and the designated CA Coordinator at your command. Information will also be posted on the NMLC web page at www-nmlc.med.navy.mil.

4. Provide POC info and any further questions to LCDR J. T. Dotter, MSC, USN at DSN 343-3089, (COMM) 301-619-3089, or email at jtdotter@us.med.navy.mil.

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ACTIVITIES (CA) STUDY

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LOGISTICS FUNCTIONAL GUIDANCE FOR CA STUDIES

1. This guidance is provided with respect to your functional expertise in materiel management and the technical support you should provide in the study. Guidance regarding other aspects and assignments of the study are provided in reference (a) and will be determined at the local command level.
2. In the technical advisor capacity, it is essential that you take a critical look at all functions performed within the scope of materiel management, collect data to quantify these functions, and determine a quality indicator to assess the effectiveness of performance. This information will be utilized to build a Statement of Work (SOW), Quality Assurance Surveillance Plan, MEO, and a command management plan, the deliverables of the study. **Your input is essential to the success of the study.** In the unlikely event that the decision is made to outsource the functions, the contractor will only be responsible to perform the tasks identified in the SOW.
3. The definition of the Materiel Services Function (H110) as contained in OPNAVINST 4860.7C is: Commercial activities that provide or arrange for the supplies, equipment and certain services necessary to support the mission of the medical facility and whose responsibilities include procurement, inventory control, receipt, storage, quality assurance, issue, turn-in, disposition, property accounting, and reporting actions for designated medical and non-medical supplies and equipment. The following is a basic overview of the functions which may be included in this definition:
 - a. Receiving, shipping, warehousing, and materials handling.
 - b. Inventory management and stock control.
 - c. Central distribution of supplies.
 - d. Receipt control and voucher examination.
 - e. Linen services.
 - f. Equipment management. (Note 1)
 - g. Biomedical and dental equipment repair and maintenance.

h. Customer service and support not otherwise included in the above functional area descriptions.

4. Military positions and **functions** that are deemed Inherently Governmental are not included in the outsourcing solicitation. Functions that are inherently governmental are:

a. Obligation of government funds, including use of purchase card. (Note 2)

b. Negotiation of government purchases, including review of requirements; screening mandatory sources of supply; conducting market research; requesting quotations; evaluating quotations; negotiating various issues such as price, delivery, etc; preparing award documentation; and making contractor selection recommendations to Contracting/Ordering Officer.

c. Ordering from established government contracts/schedules, such as prime vendor, GSA schedules, etc.

d. Contract administration and surveillance, including monitoring delivery/performance; negotiating contract/order changes; preparing contract modifications for signature of Contracting/Ordering Officer; and performing contract/order closeout functions. (Note 3)

NOTES:

1. The study involves the work performed, not the location of the position. Several commands identified equipment management functions resident in the Management Information Department. Though the position may not be resident in the materiel management department, if the function performed is primarily equipment management, the position may be subject to the study for materiel services.

2. Study must evaluate the total work performance of a position with regard to all positions, including those performing inherently governmental functions. A position is not exempt from study based solely on the position title as the program is keyed to evaluate functions. An evaluation of the actual work performed is required to determine what portion of the work is inherently governmental. Work performed that is not inherently governmental may be subject to potential outsourcing.

3. Same as above with regard to COR function.